

# **EXHIBIT I**

# Hammonds

## Fax

Our ref	AN	Your ref	
Date	11 June 2003	Time	
Attention	Mr Tony Gardner	Company	The Alterian Ghost Factory
Fax	00 1 626 856 1495	Telephone	00 1 626 856 1499
From		No of pages (including this sheet)	2
Subject	Funworld v Smiffys - Ghost Mask Dispute		

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Dear Mr Gardner

### Funworld v Smiffys - Ghost Mask Dispute

We are a law firm instructed by RH Smith & Sons (Wigmakers) Limited (Smiffy's) in relation to a claim made against them by Easter Unlimited Inc. (Funworld) in respect of Smiffy's sale of certain ghost masks. I understand that you are aware of the basic facts of the dispute, and have seen copies of the documentation which you have kindly sent to Glen Schecter under cover of your letter dated 21 May 2003.

We feel that the information you have provided could prove very useful to our client in its defence of the action brought by Funworld. I would be grateful, however, if you could give me a little further information in relation to the ghost mask design which you have been using since at least 1991. Whilst we can demonstrate that that design was in use by no later than 1991 (because of the dates on certain of the documents you have provided), it would be very helpful if you could be more specific about when that design was created, who by, and when and in what format it was first used on a product or documentation which was made available to third parties.

I cannot stress enough how important it is that we can identify as closely as possible the exact dates upon which that design was created and then published, together with evidence substantiating those dates. If we can prove or at least create a firm suggestion that Funworld actually copied your design for their "Scream" mask (which will require us to demonstrate that

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030611TGardnerfax (v1-0 0004310868) amd

# Hammonds

Mr Tony Gardner  
The Alterian Ghost Factory  
11 June 2003

your design was publicised before their design was "created"), then it will be very difficult for them to win the action they have commenced. However, they have also claimed that they came up with that design some time in 1991. We have asked them to be more specific as to when in 1991 they claim that they created the design, but you will appreciate that it is important that we can demonstrate that you published the design before they claim to have created it.

I should be grateful if you could look into these matters as soon as it is convenient and respond either by phone to 00 44 113 284 7522, by fax to 00 44 113 284 7000, or by email to [alex.newman@hammonds.com](mailto:alex.newman@hammonds.com) with any further information you are able to find.

I look forward to hearing from you, and many thanks in advance for your assistance.

Yours sincerely



Alex Newman  
Solicitor

0870 458 2454

# Hammonds

## Fax

Our ref	AN	Your ref	
Date	26 August 2003	Time	
Attention	Mr Tony Gardner	Company	The Alterian Ghost Factory
Fax	00 1 626 856 1495	Telephone	00 1 626 856 1499
From		No of pages (including this sheet)	1
Subject	Funworld v Smiffys – Ghost Mask Dispute		

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Dear Mr Gardner

### Funworld v Smiffys – Ghost Mask Dispute

Many thanks for your fax dated 7 July 2003, and my apologies for the delay in responding to you. The information you have provided is helpful and will hopefully assist a swift conclusion to the dispute. If you could forward copies of the magazine issues and letter to which you refer I'd be very grateful. In the meantime I will, as you have requested, keep you posted as to any progress.

Kind regards

Yours sincerely



Alex Newman  
Solicitor

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## Fax

Our ref	AN	Your ref	
Date	19 September 2003	Time	
Attention	Mr Tony Gardner	Company	The Alterian Ghost Factory
Fax	00 1 626 856 1495	Telephone	00 1 626 856 1499
From		No of pages (Including this sheet)	
Subject	Funworld v Smiffys – Ghost Mask Dispute		

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PLEASE SEE ATTACHED

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# Hammonds

Mr Tony Gardner  
Alterian Ghost Factory, Inc.  
PO Box 2166  
Irwindale  
California 91706  
USA

C ur ref AN

Y our ref

C ale 19 September 2003

Dear Mr Gardner

## Funworld v Smiffy's - Ghost Mask Dispute

Many thanks for your letter dated 3 September 2003. We have now ascertained that the British Film Institute in London has copies of every edition of Fangoria magazine in its library. One of my colleagues will browse the back catalogue for the advertisements, interview and letter which you have referred us to during the course of next week.

You kindly forwarded a second tranche of documentation to me by fax on 7 July 2003 which included the following (copies of which are enclosed for your ease of reference):

1. What appear to be invoices from The Ghost Factory to (i) C Gibbs, dated 20 May 1991, in respect of an order for one Wailer Mask and one Lil Ghost Dude Mask, and (ii) to Star Designs, dated 13 May 1991, in respect of an order for two Wailer masks.
2. Reproduction of the header card for the Ghost Maker kit, which is dated 4 June 1991.
3. Photographs of your stall at a trade show, which clearly shows that the Ghost Maker kits were exhibited, but which is undated.

To my mind the two 1991 invoices would appear to demonstrate that the Wailer and Lil Ghost Dude masks had been advertised and that orders were being received for those masks by May 1991. I should be grateful if you could confirm that my understanding of that invoice is correct.

Also, do you have any records which demonstrate either (i) when (month and year) and where the trade show at which the photographs were taken took place, or (ii) when the Ghost Maker kits were first advertised/put on the market.

Finally, could you please confirm whether or not the designs for the Ghost Maker masks were created specifically with a view to being used for masks, or whether they were originally designed for some other purpose.

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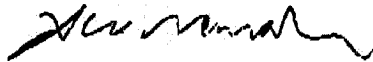
# Hammonds

Mr Tony Gardner  
Alterian Ghost Factory, Inc.  
19 September 2003

I look forward to hearing from you in due course, and would like to thank you once again for your kind assistance in this matter.

Kind regards

Yours faithfully



Alex Newman  
Solicitor